

**FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2022
With Supplemental Information Schedules**

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Annual Financial Statements
With Independent Auditor's Report
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With Supplemental Information Schedules

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FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
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Independent Auditor's Report

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Opinions

I have audited the accompanying financial statements of the governmental activities, the major fund and fiduciary funds of the Franklin Parish Clerk of Court, a component unit of the Franklin Parish Police Jury, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Franklin Parish Clerk of Court's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund information of the Franklin Parish Clerk of Court as of June 30, 2022, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Franklin Parish Clerk of Court and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Franklin Parish Clerk of Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

FRANKLIN PARISH CLERK OF COURT

Winnsboro, Louisiana
Independent Auditor's Report,
June 30, 2022

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Franklin Parish Clerk of Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financials statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Franklin Parish Clerk of Court's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

FRANKLIN PARISH CLERK OF COURT

Winnsboro, Louisiana

Independent Auditor's Report,

June 30, 2022

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule and notes to required supplementary information, the Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedules of Employer's share of the Net Pension Liability, and the Schedules of Employer Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Franklin Parish Clerk of Court's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head as listed in the Table of Contents, is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financials statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion the schedule of compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated December 19, 2022, on my consideration of the Franklin Parish Clerk of Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Franklin Parish Clerk of Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Independent Auditor's Report,
June 30, 2022

Government Auditing Standards in considering the Franklin Parish Clerk of Court's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated December 19, 2022, on the results of my state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state side agreed-upon procedures, and the results of that testing, and not to provide an opinion on control ro compliance.



West Monroe, Louisiana
December 19, 2022

REQUIRED SUPPLEMENTARY INFORMATION
PART I

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Management's Discussion and Analysis
June 30, 2022

As management of the Franklin Parish Clerk of Court, I offer readers of the Franklin Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Franklin Parish Clerk of Court for the fiscal year ended June 30, 2022. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Clerk's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Clerk of Court's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Franklin Parish Clerk of Court's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Franklin Parish Clerk of Court's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Franklin Parish Clerk of Court is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Franklin Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Franklin Parish Clerk of Court can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Franklin Parish Clerk of Court adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Franklin Parish Clerk of Court's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Franklin Parish Clerk of Court's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, liabilities of the Franklin Parish Clerk of Court exceeded assets by \$1,045,802. Capital assets of the Franklin Parish Clerk of Court exceed Net Position due to the Net OPEB and Net Pension Liabilities. These assets are not available for future spending.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Franklin Parish Clerk of Court to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION
Governmental Funds

	2022	2021
ASSETS		
Cash and cash equivalents	\$162,036	\$199,343
Receivables	13,286	15,453
Due from agency funds	82,127	94,731
Capital assets (net of accumulated depreciation)	3,403	9,381
TOTAL ASSETS	260,852	318,908
DEFERRED OUTFLOWS OF RESOURCES		
Pension and OPEB related	395,898	563,171
LIABILITIES		
Accounts payable	5,333	5,420
Withholdings payable	11,524	15,982
Due to other funds	2,123	2,123
Net pension liability	424,321	874,015
Net OPEB obligation	831,385	901,859
TOTAL LIABILITIES	1,274,686	1,799,399
DEFERRED INFLOWS OF RESOURCES		
Pension and OPEB related	427,866	64,508
NET POSITION		
Invested in capital assets, net of related debt	3,403	9,381
Unrestricted	(1,049,205)	(991,209)
TOTAL NET POSITION	(\$1,045,802)	(\$981,828)

STATEMENT OF ACTIVITIES

	2022	2021
Judicial:		
Personal services	\$664,760	\$731,015
Operating services	92,402	100,844
Materials and supplies	18,195	13,746
Travel	39,993	37,166
Depreciation expense	5,978	6,150
Total Program Expenses	821,328	888,921
Program revenues:		
Charges for services:		
License and permits - marriage	3,368	3,355
Clerk's supplemental compensation	23,935	24,600
Court cost, fees, and charges	264,211	233,436
Fees for recording legal documents	341,982	332,708
Fees for certified copies of documents	33,148	33,176
Charges for use of photocopier	47,570	41,432
Election reimbursement	2,213	7,615
Miscellaneous fees	38,475	42,965
Total program revenues	754,902	719,287
Net Program Expenses	(66,426)	(169,634)
General revenues:		
Use of money and property	2,452	4,246
Change in Net Position	(63,974)	(165,388)
Net Position - Beginning of year	(981,828)	(816,440)
Net Position - End of year	(\$1,045,802)	(\$981,828)

Financial Analysis of the Government's Funds

As noted earlier, the Franklin Parish Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2022, the general fund's governmental fund balances of \$238,469 showed a decrease of \$47,533 over June 30, 2021.

General Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget were due primarily increases in personal services and related benefits and materials and supplies and decreases in operating services and travel and other charges. Differences between revenues of the original budget and the final budget were due primarily to a decrease in anticipated revenues for election reimbursements, miscellaneous revenues, and use of money and property and increases in licenses and permits, court costs, fees, and charges, recording legal documents, fees for certified copies, and charges for use of photocopier.

Capital Asset and Debt Administration

Capital assets. The Franklin Parish Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$3,403 (net of accumulated depreciation). This investment includes furniture and equipment. There were no additions or deletions for the year.

Long-term debt. The Franklin Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the clerk's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2022 is \$831,385. Net pension obligation associated with the Pension Plan at June 30, 2022 is \$424,321.

Requests for Information

This financial report is designed to provide a general overview of the Franklin Parish Clerk of Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Franklin Parish Clerk of Court, P.O. Box 1564, Winnsboro, LA 71295.

BASIC FINANCIAL STATEMENTS

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

STATEMENT OF NET POSITION
June 30, 2022

ASSETS

Cash and cash equivalents	\$162,036
Receivables	13,286
Due from other funds	82,127
Capital assets (net of accumulated depreciation)	<u>3,403</u>
TOTAL ASSETS	<u>260,852</u>

DEFERRED OUTFLOW OF RESOURCES

Pension and OPEB related	<u>395,898</u>
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LIABILITIES

Accounts payable	5,333
Withholdings payable	11,524
Due to other funds	2,123
Net pension liability	424,321
Net OPEB Obligation	<u>831,385</u>
TOTAL LIABILITIES	<u>1,274,686</u>

DEFERRED INFLOWS OF RESOURCES

Pension and OPEB related	<u>427,866</u>
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NET POSITION

Invested in capital assets, net of related debt	3,403
Unrestricted	<u>(1,049,205)</u>
TOTAL NET POSITION	<u>(\$1,045,802)</u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

STATEMENT OF ACTIVITIES
June 30, 2022

Judicial:	
Personal services	\$664,760
Operating services	92,402
Materials and supplies	18,195
Travel	39,993
Depreciation expense	5,978
Total Program Expenses	<u>821,328</u>
Program revenues:	
Charges for services:	
License and permits-marriage	3,368
Clerk's supplemental compensation	23,935
Court cost, fees, and charges	264,211
Fees for recording legal documents	341,982
Fees for certified copies of documents	33,148
Charges for use of photocopier	47,570
Election reimbursement	2,213
Miscellaneous fees	38,475
Total program revenues	<u>754,902</u>
Net Program Expenses	<u>(66,426)</u>
General revenues -	
Use of money and property	<u>2,452</u>
Change in Net Position	(63,974)
Net Position - Beginning of year	<u>(981,828)</u>
Net Position - End of year	<u><u>(\$1,045,802)</u></u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
GOVERNMENTAL FUND

Balance Sheet, June 30, 2022

ASSETS

Cash and cash equivalents	\$162,036
Receivables	13,286
Due from agency funds	<u>82,127</u>
TOTAL ASSETS	<u><u>\$257,449</u></u>

LIABILITIES AND FUND BALANCE

Liabilities -	
Accounts payable	\$5,333
Withholding payable	11,524
Due to agency funds	2,123
Fund Balance - unassigned	<u>238,469</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$257,449</u></u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Reconciliation of Governmental Fund
Balance Sheet to the Statement of Net Position

For the Year Ended June 30, 2022

Total Fund Balance at June 30, 2022 - Governmental Fund (Statement C)		\$238,469
Deferred outflows of resources		395,898
Cost of capital assets at June 30, 2022	\$352,578	
Less: Accumulated depreciation as of June 30, 2022	<u>(349,175)</u>	3,403
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability		(424,321)
Net OPEB obligation		(831,385)
Deferred inflow of resources		<u>(427,866)</u>
Net Position at June 30, 2022 (Statement A)		<u><u>(\$1,045,802)</u></u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
GOVERNMENTAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balance

For the Year Ended June 30, 2022

REVENUES

Licenses and permits - marriage	\$3,368
Intergovernmental revenues - state grants - Clerk's supplemental compensation	23,935
Fees, charges, and commissions for services:	
Court costs, fees, and charges	264,211
Fees for recording legal documents	341,982
Fees for certified copies of documents	33,148
Charges for use of photocopier	47,570
Election reimbursement	2,213
Miscellaneous	97
Use of money and property - interest earnings	<u>2,452</u>
Total revenues	<u>718,976</u>

EXPENDITURES

Current:

General government - judicial:

Personal services	615,919
Operating services	92,402
Materials and supplies	18,195
Travel and other charges	<u>39,993</u>
Total expenditures	<u>766,509</u>

EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES (47,533)

FUND BALANCE AT BEGINNING OF YEAR 286,002

FUND BALANCE AT END OF YEAR \$238,469

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Reconciliation of Governmental Fund
Statement of Revenue, Expenditures, and Changes
in Fund Balance to the Statement of Activities

For the Year Ended June 30, 2022

Total net change in fund balance - governmental fund (Statement D)	(\$47,533)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	
	(5,978)
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.	
	(50,720)
Non-employer contribution to pension plan	38,378
Pension expense	<u>1,879</u>
Change in net position of governmental activities (Statement B)	<u>(\$63,974)</u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Statement of Fiduciary Net Position

June 30, 2022

	<u>ADVANCE DEPOSIT</u>	<u>REGISTRY OF COURT</u>	<u>NON SUPPORT</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$991,371	\$708,502	\$30,333	\$1,730,206
Accounts receivable			6,389	6,389
Due from General Fund		2,123		2,123
TOTAL ASSETS	<u>\$991,371</u>	<u>\$710,625</u>	<u>\$36,722</u>	<u>\$1,738,718</u>
LIABILITIES				
Accounts payable			\$1,322	\$1,322
Due to General Fund	\$56,167		25,960	82,127
Unsettled deposits held for others	935,204	\$710,625	9,440	1,655,269
TOTAL LIABILITIES	<u>\$991,371</u>	<u>\$710,625</u>	<u>\$36,722</u>	<u>\$1,738,718</u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	NON SUPPORT FUND	TOTAL
UNSETTLED DEPOSITS AT BEGINNING OF YEAR	<u>\$916,028</u>	<u>\$724,471</u>	<u>\$3,545</u>	<u>\$1,644,044</u>
ADDITIONS				
Suits and successions	279,733	64,350		344,083
Witness deposits	361			361
Bond deposits	15,000			15,000
Interest earned on investments		731		731
Appropriations from state			37,165	37,165
Total additions	<u>295,094</u>	<u>65,081</u>	<u>37,165</u>	<u>397,340</u>
Total	<u>1,211,122</u>	<u>789,552</u>	<u>40,710</u>	<u>2,041,384</u>
REDUCTIONS				
Clerk's costs to General Fund	178,166		29,628	207,794
Deposits settled to:				
Litigants	46,446	78,927		125,373
Appraisers, curators, keepers, etc.	6,114			6,114
Sheriff's fees	23,513		1,642	25,155
Judges Supplemental Fund	12,418			12,418
Judicial Clerk	6,645			6,645
Other reductions	2,616			2,616
Total reductions	<u>275,918</u>	<u>78,927</u>	<u>31,270</u>	<u>386,115</u>
UNSETTLED DEPOSITS AT END OF YEAR	<u>\$935,204</u>	<u>\$710,625</u>	<u>\$9,440</u>	<u>\$1,655,269</u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. The clerk of court is elected for a term of four years.

The accompanying financial statements of the Franklin Parish Clerk of Court have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Franklin Parish Police Jury is the financial reporting entity for Franklin Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Franklin Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides partial funding for equipment, furniture and supplies of the clerk of court's office, the clerk of court was determined to be a component unit of the Franklin Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Franklin Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The clerk of court's basic financial statements include both government-wide (reporting the clerk of court as a whole) and fund financial statements (reporting the clerk's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the clerk are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the clerk, except for fiduciary funds. Fiduciary funds are reported in the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Position at the fund financial statement level.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The clerk first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

FRANKLIN PARISH CLERK OF COURT
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Notes to the Financial Statements (Continued)

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the clerk's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the clerk's general revenues.

Allocation of Indirect Expenses - The clerk reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the clerk are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the clerk. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The clerk of court's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the clerk are described as follows:

Governmental Fund Type

Major Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the clerk of court and is used to account for the operations of the clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

FRANKLIN PARISH CLERK OF COURT
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Notes to the Financial Statements (Continued)

Fiduciary Fund Type - Agency Funds

The Advance Deposit, Registry of Court, and Non Support agency funds are used to account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

Fiduciary type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when

FRANKLIN PARISH CLERK OF COURT
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Notes to the Financial Statements (Continued)

due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the clerk of court.

Based on the above criteria, intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. CASH AND CASH EQUIVALENTS

Under state law, the clerk of court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2022, the clerk of court has cash and cash equivalents (book balances) totaling \$1,892,242.

Demand deposits	\$1,334,028
Time deposits	558,189
Petty cash	25
Total	<u>\$1,892,242</u>

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by

FRANKLIN PARISH CLERK OF COURT
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Notes to the Financial Statements (Continued)

federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Clerk's name. The Clerk does not have a policy concerning custodial risk.

Cash and cash equivalents (bank balances) at June 30, 2022, are undersecured as follows:

Bank balances	<u>\$1,953,284</u>
Federal deposit insurance	\$795,000
Pledged securities (uncollateralized)	<u>1,452,184</u>
Total	<u>\$2,247,184</u>

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the clerk, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

G. ANNUAL AND SICK LEAVE

All full-time employees of the clerk of court's office receive 10 days of non-cumulative vacation leave each year and one day of sick leave per month, not to exceed 10 days accumulation at any time. Accumulated sick leave does not carry forward to succeeding years.

H. RISK MANAGEMENT

The clerk is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the clerk maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. In addition to the above policies, the clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2022.

I. PENSION PLANS

The Franklin Parish Clerk's Office is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

J. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

FRANKLIN PARISH CLERK OF COURT
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Notes to the Financial Statements (Continued)

- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - represents balances where constraints have been established by parties outside the Clerk's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Clerk's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned - represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

The General Fund has an unassigned fund balance of \$238,469. If applicable, the Clerk would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds. The

FRANKLIN PARISH CLERK OF COURT
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Notes to the Financial Statements (Continued)

Clerk considers restricted amounts have been spent when an expenditure has been incurred for the purpose for which both restricted and unrestricted fund balance is available.

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisitions of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

L. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. RECEIVABLES

The following is a summary of receivables at June 30, 2022:

	General Fund	Non Support	Total
<u>Class of receivables:</u>			
Appropriation from State		\$6,389	\$6,389
Fees, charges, and commissions for services:			
Recordings	\$9,491		9,491
Certified copies	1,684		1,684
Criminal fees	1,265		1,265
Other fees	846		846
Total	<u>\$13,286</u>	<u>\$6,389</u>	<u>\$19,675</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

FRANKLIN PARISH CLERK OF COURT
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Notes to the Financial Statements (Continued)

Balance, June 30, 2021	\$352,578
Additions	NONE
Deletions	<u>NONE</u>
Balance, June 30, 2022	352,578
Less accumulated depreciation	<u>(349,175)</u>
Net Capital Assets	<u>\$3,403</u>

Depreciation of \$5,978 was charged to the Judicial function.

4. PENSION INFORMATION

The Louisiana Clerks' of Court Retirement Fund (Fund) is a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1501 to provide regular, disability and survivor benefits to clerks of court, their deputies and other employees, and the beneficiaries of such clerks of court, their deputies, and other employees and the beneficiaries of such clerks of court, their deputies, and other employees. Substantially all employees of the Franklin Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (Fund).

Summary of Significant Accounting Policies.

The Louisiana Clerks' of Court Retirement and Relief Fund prepared its employer schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The Louisiana Clerks' of Court Retirement and Relief Fund employer schedules were prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2021.

FRANKLIN PARISH CLERK OF COURT
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Notes to the Financial Statements (Continued)

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the Fund's collective net pension liability. The Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the Fund's investments. Accordingly, actual results may differ from estimated amounts.

Pension Amount Netting

The deferred outflows and deferred inflows of resources attributable to differences between projected and actual earnings on pension plan investments recorded in different years are netted to report only a deferred outflow or a deferred inflow on the schedule of pension amounts. The remaining categories of deferred outflows and deferred inflows are not presented on a net basis.

Plan Description.

The Fund was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:1501 for eligible employees of the clerk of the supreme court, each of the district courts, each of the courts of appeal, each of the city and traffic courts in cities having a population in excess of four hundred thousand at the time of entrance into the Fund, the Louisiana Clerks' of Court Association, the Louisiana Clerks of Court Insurance Fund, and the employees of the Fund. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the Fund in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The Louisiana Clerks' of Court Retirement and Relief Fund of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2021. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov.

Plan Benefits

A member or former member shall be eligible for regular retirement benefits upon attaining 12 or more years of credited service, attaining the age of 55 years (age 65 if hired on or after January 1, 2011) or more and terminating employment. Regular retirement benefits, payable monthly for life, equal 3% percent of the members monthly average final compensation multiplied by the number of years of credited service, not to exceed 100% of the monthly average final compensation. The retirement benefit accrual rate is increased to 3 and 1/3 percent for all service credit accrued after June 30, 1999 (for members hired prior to January 1, 2011) . For members hired before July 1, 2006 and who retire prior to January 1, 2011, monthly average final compensation is based on the highest 36 consecutive months, with a limit of

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Notes to the Financial Statements (Continued)

increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last five years of measurement. For members who were employed prior to July 1, 2006 and who retire after December 31, 2010, the period of final average compensation is 36 months plus the number of whole months elapsed since January 1, 2011, not to exceed 60 months.

Contributions

According to the state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021, the actual employer contribution rate was 21.0%. In accordance with state statute, the Fund also receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. Non-employer contributions are recognized as revenue during the year and excluded from pension expense. Non-employer contribution revenue for the year ended June 30, 2021 was \$38,378.

The Clerk of Court's contractually required composite contribution rate for the year ended June 30, 2021 was 21.0% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Clerk were \$86,959 for the year ended June 30, 2021.

The Clerk has elected under state statute to pay both the employer and the employee contributions to the retirement system. Due to this election, the Clerk contributed an additional \$30,163 on behalf of the employees for the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ending June 30, 2022 and 2021, the Clerk reported a liability of \$424,321 and \$874,015, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and 2020, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Clerks' proportion of the net pension liability was based on a projection of the Clerks' long-term share of contributions to the pension plan relative to the projected contributions of all participating clerks' actuarially determined. At June 30, 2021, the Clerks' proportion was .319 percent, which was a decrease of .0443 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the Clerk recognized pension expense of \$86,959. At June 30, 2021, the Clerk reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to the Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected actual experience	\$11,829	\$7,120
Changes in Assumptions	91,605	
Net difference between projected and actual earnings on pension plan		187,682
Changes in employer's proportion of beginning NPL	27,574	\$75,800
Differences between employer and proportionate share of contributions		116
Subsequent measurement contributions	81,348	
Total	\$212,356	\$270,718

\$81,348 reported as deferred outflows of resources related to pensions resulting from the Clerks' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	(\$5,827)
2023	(22,098)
2024	(29,922)
2025	(81,863)
Total	(\$139,710)

Actuarial assumptions. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2021
Actuarial cost Method	Entry Age Normal Method
Actuarial Assumptions:	
Investment Rate of Return	6.55%, net of investment expense
Projected salary increases	1.5 years of service 6.2% 5 years or more 5.0%
Inflation rate	2.4%
Mortality rates	Pub - 2010 Public Retirement Plans multiplied by 120%. Mortality Table with full generational projection using the appropriate MP-2019 improvement scale
Expected remaining service lives	2014-2021 - 5 years

FRANKLIN PARISH CLERK OF COURT
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Notes to the Financial Statements (Continued)

Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
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The actuarial assumptions used are based on the assumptions used in the 2020 actuarial funding valuation which (with the exception of mortality) were based on results of an actuarial experience study performed over the period July 1, 2014 through June 30, 2019 unless otherwise specified. In cases where benefit structures were changes after the experience study period, assumptions were based on future experiences.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to product the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return was 6.02%, for the year ended June 30, 2021.

The discounted rate used to measure the total pension liability was 6.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Clerks' proportionate share of the net pension liability to changes in the discount rate.

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.55%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2021.

	1% Decrease (5.55%)	Current Discount Rate (6.55%)	1% Increase (7.55%)
Clerks' proportionate share of the net pension liability	\$747,957	\$424,321	\$151,711

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

Payables to the Pension Plan

The financial statements include a payable to the pension plan of \$9,399, which is the legally required contribution due at June 30, 2022. This amount is recorded in accrued expenses.

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Franklin Parish Clerk of Court (the Clerk) provides certain continuing health care and life insurance benefits for its retired employees. The Franklin Parish Clerk of Court's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the Clerk. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Clerk. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB).

Benefits Provided - Medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. Employees are covered by the Louisiana Clerks' of Court Retirement and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: Attained of age 55 and 25 years of service; or, attainment of age 60 and 20 years of service; employees hired on and after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.

Life insurance coverage is provided to retirees and 100% of the blended rate (active and retired) is paid by the employer. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at age 70.

Employees covered by benefit terms - At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	8
Total employees	<u>12</u>

Total OPEB Liability

The Clerk's total OPEB liability of \$831,385 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

FRANKLIN PARISH CLERK OF COURT

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Notes to the Financial Statements (Continued)

Inflation	3.0%
Salary increases	3.0%, including inflation
Prior discount rate	2.16% annually
Discount rate	3.54%
Healthcare cost trend rates	5.5% annually until year 2030, then 4.5%
Mortality	SOA RP-2014 Table

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2022.

Changes in the Total OPEB Liability

Balance at June 30, 2021	\$901,859
Changes for the year:	
Service cost	40,030
Interest	19,912
Differences between expected and actual experience	42,103
Changes of assumptions	(155,107)
Benefit payments and net transfers	(17,412)
Net Changes	(70,474)
Balance at June 30, 2022	<u>\$831,385</u>

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1.0% Decrease (2.54%)	Current Discount Rate (3.54%)	1.0% Increase (4.54%)
Total OPEB liability	\$950,533	\$831,385	\$734,258

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the Clerk, as well as what the Clerk's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current discount rate:

	1.0% Decrease (4.5%)	Current Discount Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$771,247	\$831,385	\$905,854

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

**OPEB Expense and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2022, the Clerk recognized OPEB expense of \$68,132. At June 30, 2022, the Clerk reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual expenditures	\$54,657	(\$24,199)
Changes in assumptions	128,885	(132,949)
Total	<u>\$183,542</u>	<u>(\$157,148)</u>

Amounts reported as deferred outflows of resources and deferred inflows resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$8,190
2024	8,190
2025	8,190
2026	8,190
2027	8,190
Thereafter	(\$14,555)

6. DEFERRED COMPENSATION

All of the employees of the Franklin Parish Clerk of Court are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 100% of their salary (not to exceed \$19,000 a year) to the plan on a pre-tax basis. The contributions are withheld from the employees' paycheck and the Clerk matches up to 10% of their base salary. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The Franklin Parish Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2022, the Clerk's matching funds totaled \$2,700.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Notes to the Financial Statements (Continued)

7. LITIGATION AND CLAIMS

The Franklin Parish Clerk of Court is not involved in any litigation at June 30, 2022, nor is she aware of any unasserted claims.

8. IMPLEMENTATION OF GASB 84

The Franklin Parish Clerk of Court's office has implemented GASB 84 and has chosen to report the Advanced Deposit Fund as a fiduciary fund as it was previously reported in prior years.

**9. EXPENDITURES OF THE CLERK OF COURT
PAID BY THE POLICE JURY**

The Franklin Parish Clerk of Court's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Franklin Parish Police Jury.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
License and permits	\$3,000	\$3,500	\$3,368	(\$132)
Intergovernmental revenues - state grants:				
Clerk's supplemental compensation	24,600	24,600	23,935	(665)
Fees, charges, and commissions for services:				
Court costs, fees, and charges	276,800	310,250	264,211	(46,039)
Fees for recording legal documents	250,000	344,000	341,982	(2,018)
Fees for certified copies of documents	32,000	33,000	33,148	148
Charges for use of photocopier	25,000	32,000	47,570	15,570
Election reimbursement	7,000	2,300	2,213	(87)
Miscellaneous	2,000	100	97	(3)
Use of money and property - interest earnings	500	200	2,452	2,252
Total revenues	<u>620,900</u>	<u>749,950</u>	<u>718,976</u>	<u>(30,974)</u>
EXPENDITURES				
Current:				
General government - judicial				
Personal services and related benefits	588,532	632,882	615,919	16,963
Operating services	114,300	112,900	92,402	20,498
Materials and supplies	15,500	18,400	18,195	205
Travel and other charges	41,976	15,876	39,993	(24,117)
Total expenditures	<u>760,308</u>	<u>780,058</u>	<u>766,509</u>	<u>13,549</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(139,408)	(30,108)	(47,533)	(17,425)
FUND BALANCE AT BEGINNING OF YEAR	<u>283,111</u>	<u>276,111</u>	<u>283,002</u>	<u>6,891</u>
FUND BALANCE AT END OF YEAR	<u>\$143,703</u>	<u>\$246,003</u>	<u>\$235,469</u>	<u>(\$10,534)</u>

See independent auditor's report and the related notes to the financial statements.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

NOTES TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2022

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Franklin Parish Clerk's office during the month of June for comments from taxpayers. The budget is then legally adopted by the clerk and amended during the year, as necessary. The budget is established and controlled by the clerk at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts.

Schedule 2

Franklin Parish Clerk of Court
Schedule of Changes in Net OPEB Liability and Related Ratios
FYE June 30, 2022

Total OPEB Liability	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Service cost	\$15,013	\$14,856	\$36,286	\$38,865	\$40,030
Interest	19,903	20,550	22,688	19,001	19,912
Changes of benefits terms	NONE	NONE	NONE	NONE	NONE
Differences between expected and actual experience	266	24,599	(38,719)	6,359	42,103
Changes of assumptions	NONE	NONE	198,594	6,352	(155,107)
Benefit payments	<u>(9,118)</u>	<u>(9,620)</u>	<u>(8,592)</u>	<u>(9,064)</u>	<u>(17,412)</u>
Net change in total OPEB liability	26,064	50,385	210,257	61,513	(70,474)
Total OPEB liability - beginning	<u>553,640</u>	<u>579,704</u>	<u>630,089</u>	<u>840,346</u>	<u>901,859</u>
Total OPEB liability - ending	<u>\$579,704</u>	<u>\$630,089</u>	<u>\$840,346</u>	<u>\$901,859</u>	<u>\$831,385</u>
Covered employee payroll	\$308,808	\$318,072	\$312,234	\$321,601	\$365,608
Net OPEB liability as a percentage of covered-employee payroll	187.72%	198.10%	269.14%	280.43%	227.40%
<i>Benefit Changes</i>	None	None	None	None	None
<i>Changes in Assumptions:</i>					
<i>Discount Rate</i>	3.50%	3.50%	2.21%	2.16%	3.54%
<i>Mortality:</i>	RP-2000	RP-2000	RP-2000	RP-2000	RP-2000
<i>Trend:</i>	5.50%	5.50%	Variable	Variable	Variable

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report and the related notes to the financial statements.

Franklin Parish Clerk of Court
Schedule of Employer's Share of Net Pension Liability
June 30, 2022

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.346454%	\$467,319	\$316,647	147.58%	79.37%
2015	0.340142%	\$510,224	\$307,727	165.80%	78.13%
2016	0.339105%	\$627,335	\$309,514	202.68%	74.17%
2017	0.354392%	\$536,172	\$319,709	167.71%	79.69%
2018	0.364645%	\$606,514	\$338,569	179.14%	79.08%
2019	0.336033%	\$610,233	\$326,739	186.76%	77.93%
2020	0.363285%	\$874,015	\$360,219	242.63%	72.09%
2021	0.318981%	\$424,321	\$321,951	131.80%	82.41%

* Amount presented were determined as of the measurement date (previous fiscal year end).

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report and the related notes to the financial statements.

**Franklin Parish Clerk of Court
Schedule of Employer Contributions
June 30, 2022**

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$58,580	\$58,580	\$0	\$316,647	18.50%
2015	\$58,468	\$58,468	\$0	\$307,727	19.00%
2016	\$58,808	\$58,808	\$0	\$309,514	19.00%
2017	\$60,745	\$60,745	\$0	\$319,709	19.00%
2018	\$64,328	\$64,328	\$0	\$338,569	19.00%
2019	\$62,080	\$62,080	\$0	\$326,739	19.00%
2020	\$68,442	\$68,442	\$0	\$360,219	19.00%
2021	\$67,610	\$67,610	\$0	\$321,951	21.00%

* Amounts presented were determined as of the end of the fiscal year.

Schedule is intended to show information for 10 years. Additional information will be displayed as it becomes available.

See independent auditor's report and the related notes to the financial statements.

OTHER SUPPLEMENTARY INFORMATION

PART III

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2022

ANITA WYGAL, CLERK OF COURT

PURPOSE	AMOUNT
Salary	\$110,154
Expense Allowance	13,476
Supplemental Compensation	24,600
Election expense	1,800
Benefits-insurance	14,739
Benefits-retirement	45,210
Benefits-deferred compensation	1,500
Benefits-medicare	2,223
Car Allowance	22,235
Per diem	430
Registration fees	900
Lodging	1,152
Cellphone	1,360
Membership dues-Clerk's Association	2,111

See independent auditor's report.

Schedule 6

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
GENERAL FUND
For the Year Ended June 30, 2022

CASH BASIS PRESENTATION	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 6/30/2022
Receipts From:		
Franklin Parish Sheriff - Criminal Court Costs/Fees	\$9,342	\$9,942
Franklin Parish Sheriff - Bond Fees	228	320
Franklin Parish Police Jury - Criminal Court Costs/Fees	1,315	1,160
Subtotal Receipts	\$10,885	\$11,422
Total: Ending Balance of Amounts collected but not Received	NONE	NONE

See independent auditor's report.

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
FIDUCIARY FUNDS
For the Year Ended June 30, 2022

	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 6/30/2022
CASH BASIS PRESENTATION		
Beginning Balance of Amounts Collected	\$1,733,810	\$1,734,131
Add: Collections		
Civil Fees	202,865	175,690
Bond Fees	10	15,351
Interest Earnings on Collected Balances	1,121	1,097
Subtotal Collections	203,996	192,138
Less: Disbursements To Governments & Nonprofits		
Franklin Parish Sheriff, Civil Fees	7,580	7,914
Louisiana State Treasurer, Judicial Supplemental Compensation, Civil Fees	6,069	6,349
Judicial Clerk, Civil Fees	3,210	3,435
Louisiana Supreme Court, Civil Fees	106	113
Louisiana Commissioner of Insurance, Civil Fees	120	145
Secretary of State, Civil Fees	700	450
State Treasurers Office-Battered Womens Fund, Civil Fees	460	430
Ascension Parish Sheriff, Service/Collection Fees	86	NONE
Beauregard Parish Sheriff, Service/Collection Fees	NONE	32
Bossier Parish Sheriff, Service/Collection Fees	65	NONE
Caddo Parish Sheriff, Service/Collection Fees	175	NONE
Calcasieu Parish Sheriff, Service/Collection Fees	41	NONE
Caldwell Parish Sheriff, Service/Collection Fees	62	153
Catahoula Parish Sheriff, Service/Collection Fees	66	54
Concordia Parish Sheriff, Service/Collection Fees	36	115
East Baton Rouge Sheriff, Service/Collection Fees	1,141	827
East Carroll Parish Sheriff, Service/Collection Fees	33	NONE
Iberville Parish Sheriff, Service/Collection Fees	NONE	84
Jackson Parish Sheriff, Service/Collection Fees	NONE	162
Jefferson Parish Sheriff, Service/Collection Fees	60	120
Lafayette Parish Sheriff, Service/Collection Fees	200	124
Lincoln Parish Sheriff, Service/Collection Fees	5	37
LaSalle Parish Sheriff, Service/Collection Fees	95	NONE
Madison Parish Sheriff, Service/Collection Fees	30	106
Morehouse Parish Sheriff, Service/Collection Fees	NONE	30
Natchitoches Parish Sheriff, Service/Collection Fees	NONE	65
Orleans Parish Sheriff, Service/Collection Fees	90	240
Ouachita Parish Sheriff, Service/Collection Fees	1,356	1,645

Franklin Parish Clerk of Court
Justice System Funding Schedule -
Collecting/Disbursing
FYE June 30, 2022

Schedule 7

	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 6/30/2022
CASH BASIS PRESENTATION		
Rapides Parish Sheriff, Service/Collection Fees	78	330
Richland Parish Sheriff, Service/Collection Fees	493	656
St. Charles Parish Sheriff, Service/Collection Fees	NONE	\$39
Tensas Parish Sheriff, Service/Collection Fees	NONE	122
Vermillion Parish Sheriff, Service/Collection Fees	\$12	NONE
Webster Parish Sheriff, Service/Collection Fees	42	NONE
West Baton Rouge Parish Sheriff, Service/Collection Fees	76	NONE
West Carroll Parish Sheriff, Service/Collection Fees	47	NONE
West Feliciana Parish Sheriff, Service/Collection Fees	NONE	42
Winn Parish Sheriff, Service/Collection Fees	130	34
Less: Amounts Retained by Collecting Agency		
Franklin Parish Clerk of Court, Civil Fees	\$89,956	\$132,543
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	23,348	23,098
Other Disbursements to Individuals	67,707	16,567
Subtotal Disbursements/Retainage	203,675	196,061
Total: Ending Balance of Amounts collected but not Disbursed/Retained	<u>\$1,734,131</u>	<u>\$1,730,208</u>

See independent auditor's report.

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Auditors Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the major fund and the fiduciary funds of the Franklin Parish Clerk of Court, a component unit of the Franklin Parish Police Jury, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Franklin Parish Clerk of Court's basic financial statements, and have issued my report thereon dated December 19, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Clerk's internal control over financial reporting(internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, I do not express an opinion on the effectiveness of the Clerk's internal control.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies; in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses.

FRANKLIN PARISH CLERK OF COURT

Winnsboro, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2022

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Franklin Parish Clerk of Court's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Franklin Parish Clerk of Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Franklin Parish Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana

December 19, 2022

FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana
Schedule of Audit Results
For the Year Ended June 30, 2022

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Franklin Parish Clerk of Court.
2. No instances of noncompliance material to the financial statements of the Franklin Parish Clerk of Court were disclosed during the audit.
3. No material weakness relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**FRANKLIN PARISH CLERK OF COURT
Winnsboro, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2022**

There were no findings reported in the audit report for the year ended June 30, 2021.

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Franklin Parish Clerk of Court
P.O. Box 1564
Winnsboro, LA 71295

To the Franklin Parish Clerk of Court

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. Management of Franklin Parish Clerk of Court is responsible for those C/C areas identified in the SAUPs.

Franklin Parish Clerk of Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUP's for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations (or report that the entity does not have any written policies and procedures):
 - A. Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - B. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - C. Disbursements, including processing, reviewing, and approving

- D. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation)
- E. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked and (3) approval process for employees(s) rate of pay or approval and maintenance of pay rate schedule.
- F. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- G. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statement, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- H. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- I. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- J. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- K. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- L. Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and address the function noted above.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

The Clerk does not have a board or finance committee, so this section is not applicable.

2. Obtain and inspect the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on all special revenue funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

BANK RECONCILIATIONS

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - A) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - B) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and,
 - C) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

The agency provided me with a certified list of all bank accounts. May, 2022 was randomly selected to be tested. For the 5 bank accounts selected for testing it was determined that all bank reconciliations were performed by an outside accountant or a designated deputy and reviewed by the Clerk. There was evidence that the reconciliations are performed within 60 days of the bank statement date. 3 of the 5 accounts selected to test had outstanding reconciling items over 12 months.

Agency Response: Agency is in the process of reviewing old outstanding items and clearing them up.

COLLECTIONS

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

The agency provided me with a certified list of deposit sites and I verified that it was complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- A) Employees responsible for cash collections do not share cash drawers/registers.
- B) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- C) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- D) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The agency has 1 collection location. The Clerk's office has a surety bond on the Clerk but no employee dishonesty coverage that covers employee theft for the clerk's office employees. The agency accepts cash and has separate cash drawers for the deputies. The civil deputies receive the payments and the designated deputies balance the cash drawers. The deposits are then given to the designated deputy who makes the deposits. The designated deputy prepares cash receipt deposits to be submitted to the outside accountant to post to the Quickbooks accounting software. Deposits are taken to the bank on the day that monies are received. At the end of the month the outside accountant reconciles the bank statement for the general fund and designated deputy reconciles the advanced deposit and registry of court fund. The Clerk reviews the reconciliations.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

The Franklin Parish Clerk of Court's office has surety bond coverage on the Clerk but no policy with employee dishonesty coverage for the clerk's office employees that handle cash and cash equivalents.

Agency Response - Agency is reviewing the cost of employee theft insurance to determine if cost is feasible for the office.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statement when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- A) Observe that receipts are sequentially pre-numbered.
- B) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- C) Trace the deposit slip total to the actual deposit per the bank statement.
- D) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- E) Trace the actual deposit per the bank statement to the general ledger.

The Clerk's office does not use pre-numbered receipts for collections for the clerk's office. If a receipt is requested, it is printed from the computer. Deposit documentation was traced to the supporting documentation for the deposits. The deposit slips selected were traced to the bank statement. The deposits were traced to the posting in the quickbooks accounting software. Deposits are made daily.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The agency provided a complete list of locations that process payments and represented that the list was complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- A) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- B) At least two employees are involved in processing and approving payments to vendors.
- C) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Franklin Parish Clerk of Court does not use purchase orders or requisitions. The employees initiate purchases and the Clerk or designated deputy approves and then authorizes the purchases. Of the disbursements selected to be tested, all were processed with all of the required support. The outside accountant adds all new vendors, with the approval of the Clerk. The Clerk enters and initiates the checks, copies are sent to the outside accountant who enters all invoices into the quickbooks accounting system. The Clerk or designated deputy signs all checks. The Clerk reviews the financial reports and all invoices.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- A) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- B) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

All disbursements selected to be tested had the proper support documentation. The designated deputy or the Clerk initiate the checks and copies are sent to the outside accountant who posts the disbursements to the quickbooks accounting software and the Clerk or the designated deputy sign the checks. The outside accountant reconciles the bank statement for the general fund and designated deputy reconciles the advanced deposit and registry of court bank accounts. The Clerk reviews the reconciliations. The Clerk reviews financial reports and invoices.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The agency provided me with a certified statement for all credit cards, fuel cards, etc. - only 1 debit card noted.

12. Using the listing prepared by management, randomly select 5 cards, (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- A) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, (or electronically approved), by someone other than the authorized card holder.
- B) Observe that finance charges and late fees were not assessed on the selected statements.

The Clerk has 1 credit card. The Clerk is ultimately responsible for all purchases. The Clerk and the designated deputy review all bank statements, then the designated deputy or the Clerk initiate the checks and sign the checks. The outside accountant reconciles the general fund bank account and a designated deputy reconciles the advanced deposit and registry of court bank accounts. The Clerk reviews the reconciliations. The Clerk is the authorized card holder.

There were no finance charges or late fees noted on the statements selected for testing.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

The 1 credit card was selected to test and May, 2022 was selected as the test month. 10 transactions were selected to test on the credit card. The credit card charges tested were for business purposes. There was proper documentation for the credit card purchases. There were no charges on the credit card that meet the requirements for using the bid law.

TRAVEL AND EXPENSE REIMBURSEMENT

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The agency provided me with a certified list of travel or related expense reimbursements during the testing period and represented that the list was complete. I randomly selected 5 reimbursements were selected to be tested.

- A) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- B) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- C) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- D) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The agency has written policies or procedures for travel. The randomly selected reimbursements for travel were tested against the policy - no exceptions noted. It was noted the expenditures were for business purposes. All reimbursements were supported by proper documentation. The Clerk reviews and approves all travel reimbursements. Agency uses per diem for meal reimbursements and charges tested were in compliance with agency policies and procedures.

CONTRACTS

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

The agency provided a certified list of contracts in effect during the test period.

- A) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- B) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- C) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented.).
- D) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

The agency provided a certified statement for all contracts in effect during the test period. None of the contracts tested required compliance with the public bid law. The agency did solicit quotes to get the best deal for the Clerk's office. The contracts selected were not amended. The contract payments that were tested were in compliance with the contract terms and conditions. All contracts are approved by the Clerk.

PAYROLL AND PERSONNEL

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

The agency provided a certified list of all employees with their authorized salaries. I randomly selected 5 employees and agreed them to authorized salaries. No exceptions were noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- A) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- B) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- C) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

- D) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Of the 5 employees selected, all employees that are eligible to earn leave time documented their leave time taken. Timesheets were properly approved by the supervisors. The agency tracks leave time earned and used. The employees are not allowed to accumulate leave time and carry forward, and are not compensated upon termination. The 5 employees of the Clerk that were chosen to be tested were paid in accordance with the terms and conditions of their employment. All changes to the salaries of the 5 employees chosen were approved by the Clerk in writing.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

The agency provided a certified list noting the number of employees that were terminated during the test period. There were no employees terminated during the test period.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

During testing of the agency it was determined that the Franklin Parish Clerk of Court is submitting payroll tax, retirement contributions, and required forms by the required deadlines.

ETHICS (EXCLUDING NONPROFITS)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management and:

- A) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- B) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethic policy during the fiscal period, as applicable.

The agency provided support for ethics training for the 5 employees. There were no changes to the ethics policy during the fiscal period.

DEBT SERVICE

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

The Franklin Parish Clerk of Court had no bonds/notes or other debt instruments issued during the fiscal period that required bond commission approval.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The Franklin Parish Clerk of Court had no outstanding debt during at the end of the fiscal period.

OTHER

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

The Franklin Parish Clerk of Court has no known misappropriation of funds during the test period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

I observed the fraud hotline notice posted on the premises and the agency website.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

A) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDS), observe evidence that the backups are encrypted before being transported.

- B) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

I performed the procedure and discussed the results with management. It appears the agency is in compliance with attributes above.

SEXUAL HARASSMENT

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

The agency provided support for sexual harassment training for the 5 employees randomly selected to be tested.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

I observed the sexual harassment policy posted on the premises and on the agency website.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344;


- A) Number and percentage of public servants in the agency who have completed the training requirements;
- B) Number of sexual harassment complaints received by the agency;
- C) Number of complaints which resulted in a finding that sexual harassment occurred;
- D) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- E) Amount of time it took to resolve each complaint.

For the current fiscal period the court prepared an annual report in February, 2022 for fiscal period 2021. The agency did not have any complaints noted during the test period.

I was engaged by Franklin Parish Clerk of Court to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of Franklin Parish Clerk of Court and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Mary Jo Finley, CPA
December 19, 2022